

Assessment of the Effectiveness of  
IDA Internal Control Structure & Procedures- 2013

- In 2013 the Orange County IDA operated in compliance with the NYS General Municipal Law, the Public Authorities Accountability Act and other relevant statutes.
- At the IDA annual meeting in January 2013, an Executive Director, Chief Financial Officer, Contract Officer and Audit & Governance Committees were appointed as required by law. The Audit & Governance Committees meet prior to the scheduled IDA monthly meetings as necessary.
- The Chief Financial Officer is the County Treasurer who issues monthly financial reports. The IDA's 2013 Annual Audit was received and submitted on time as was the IDA's projected 2013 budget. Investment monies are in Certificates of Deposit which are awarded to the highest bidder.
- In 2013 the IDA continued to operate its successful Orange County Business Accelerator which is Orange County's own economic stimulus plan that came on line in late 2009. The Business Accelerator was funded by the IDA in the amount of \$696,654 in 2013. The Business Accelerator occupies the entire first floor of a building at Stewart International Airport, comprising 10,000 square feet. It offers entrepreneurs a mentoring environment for management, marketing, legal and accounting services and critical venture capital. The Business Accelerator offers subsidized rent, computer services, broadband, wireless, video-conferencing and everything else to get a fledgling business underway. Clients may stay for three years and then will graduate into their own office space, providing high-paying jobs. The IDA's return-on-investment comes in the form of good jobs and tax ratable from new buildings.
- In 2013, the IDA commissioned its accounting firm to conduct an audit of IBM after that firm indicated that it had made an overpayment to the IDA under a 2009 Agreement. As of the end of the year, the IDA was awaiting the results of that audit. The IDA expects to conduct further audits of recipients of IDA benefits in 2014.
- In 2013, a company named Breonics remained in business in Albany, NY having re-located there from Orange County. Breonics has been awarded Federal NIH grants in the millions of dollars to pursue its biotech business involving transplants of human organs. The IDA had brought legal action against Breonics and in 2007 was awarded a judgment, which resulted in a post-judgment settlement of \$233,083 in favor of the IDA. An initial payment of \$10,000 was received in January, 2009. There has been no further financial recovery in 2013. The IDA remains hopeful of full financial recovery when Breonics begins to make a profit.

- In May, 2013 the IDA's Executive Director resigned after several years of dedicated service to the Agency. The Chairman, Robert Armistead, assumed many of the duties of the Executive Director with the assistance of the IDA's Administrative Assistant and the IDA Attorney. The IDA formed a Special Committee and conducted an extensive search and interview process for a new Executive Director to find a qualified individual with the proper skill set and who was familiar with Orange County. As the end of 2013 approached, the IDA was nearing a decision to fill the vacancy.
- The IDA website is current and contains all information required by the Public Authorities Accountability Act. However, the IDA believed that the website was in need of a new look and needed to be more user friendly so it retained the services of a firm to update the site. A rollout of the new website is scheduled for early 2014.
- The IDA met every month except December in 2013 in open meeting. Formal resolutions were presented and adopted. Minutes were kept and posted on the website.
- The IDA Chairman, Executive Director (through early May) and attorney attended all public hearings. Stenographic transcripts are made of all public hearings.
- IDA economic development funds were disbursed pursuant to resolution and written agreements.
- In summary, the internal control structure and procedures of the Orange County IDA are excellent and in compliance with State law.